

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION COMMISSION  
Drawer DD  
Artesia, NM 88210

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-42787

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Ocotillo ACI Federal #3

9. API Well No.

3001527963

10. Field and Pool, or Exploratory Area

N. Dagger Draw Upper Penn

11. County or Parish, State

Eddy, N.M.

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

RECEIVED

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address and Telephone No.

105 S. 4th Street, Artesia, NM 88210 (505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 10-T20S-R24E 1980' FNL & 1980' FEL

JUL - 8 '94

C. C. D.  
ARTESIA, OFFICE

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☐ Other \_\_\_\_\_

☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☒ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directional drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Yates Petroleum Corporation is submitting application for produced water from the above well pursuant to NTL-2B, Section II, and requests your approval. The well produces approximately 100 bbls of water per day from the N. Dagger Draw Upper Penn formation. The water is stored in a 210 barrel stock tank and pipelined to the Dagger Draw Water System.

A water analysis is attached.

RECEIVED  
JUN 30 10 37 AM '94  
CARTER AREA  
SOF  
FERS

14. I hereby certify that the foregoing is true and correct

Signed Shannon Coupland Title Production Clerk

Date 6-28-94

(This space for Federal or State office use)

(ORIG. SGD.) **JOE G. LARA**

Approved by \_\_\_\_\_ Title \_\_\_\_\_

**PETROLEUM ENGINEER**

Date 7/5/94

Conditions of approval, if any: See attached

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instruction on Reverse Side

Reply to:  
P.O. Box FF  
Artesia, NM  
88211-7531WATER ANALYSIS REPORT  
-----Company : YATES PETROLEUM  
Address : ARTESIA  
Lease : OCOTILLO "ACI"  
Well : 3  
Sample Pt. : SEPERATORDate : 6/13/94  
Date Sampled : 6/13/94  
Analysis No. : 730

| ANALYSIS                                           |                  | mg/L    |                  | * meq/L |
|----------------------------------------------------|------------------|---------|------------------|---------|
| -----                                              |                  | ----    |                  | -----   |
| 1. pH                                              | 6.5              |         |                  |         |
| 2. H <sub>2</sub> S                                | 60               |         |                  |         |
| 3. Specific Gravity                                | 1.020            |         |                  |         |
| 4. Total Dissolved Solids                          |                  | 30050.4 |                  |         |
| 5. Suspended Solids                                |                  | NR      |                  |         |
| 6. Dissolved Oxygen                                |                  | NR      |                  |         |
| 7. Dissolved CO <sub>2</sub>                       |                  | NR      |                  |         |
| 8. Oil In Water                                    |                  | NR      |                  |         |
| 9. Phenolphthalein Alkalinity (CaCO <sub>3</sub> ) |                  |         |                  |         |
| 10. Methyl Orange Alkalinity (CaCO <sub>3</sub> )  |                  |         |                  |         |
| 11. Bicarbonate                                    | HCO <sub>3</sub> | 658.0   | HCO <sub>3</sub> | 10.8    |
| 12. Chloride                                       | Cl               | 17892.0 | Cl               | 504.7   |
| 13. Sulfate                                        | SO <sub>4</sub>  | 2625.0  | SO <sub>4</sub>  | 54.7    |
| 14. Calcium                                        | Ca               | 5200.0  | Ca               | 259.5   |
| 15. Magnesium                                      | Mg               | 3889.6  | Mg               | 320.0   |
| 16. Sodium (calculated)                            | Na               | -214.2  | Na               | -9.3    |
| 17. Iron                                           | Fe               | NR      |                  |         |
| 18. Barium                                         | Ba               | NR      |                  |         |
| 19. Strontium                                      | Sr               | NR      |                  |         |
| 20. Total Hardness (CaCO <sub>3</sub> )            |                  | 29000.0 |                  |         |

PROBABLE MINERAL COMPOSITION  
-----

| *milli equivalents per Liter                    |         | Compound                           | Equiv wt | X meq/L | = mg/L |
|-------------------------------------------------|---------|------------------------------------|----------|---------|--------|
| +-----+                                         |         |                                    |          |         | -----  |
| 259 *Ca <----- *HCO <sub>3</sub>                | 11      | Ca(HCO <sub>3</sub> ) <sub>2</sub> | 81.0     | 10.8    | 874    |
| ----- /----->                                   | -----   | CaSO <sub>4</sub>                  | 68.1     | 54.7    | 3720   |
| 320 *Mg -----> *SO <sub>4</sub>                 | 55      | CaCl <sub>2</sub>                  | 55.5     | 194.0   | 10767  |
| ----- <----- /                                  | -----   | Mg(HCO <sub>3</sub> ) <sub>2</sub> | 73.2     |         |        |
| -9 *Na -----> *Cl                               | 505     | MgSO <sub>4</sub>                  | 60.2     |         |        |
| +-----+                                         | +-----+ | MgCl <sub>2</sub>                  | 47.6     | 310.7   | 14790  |
| Saturation Values Dist. Water 20 C              |         | NaHCO <sub>3</sub>                 | 84.0     |         |        |
| CaCO <sub>3</sub> 13 mg/L                       |         | Na <sub>2</sub> SO <sub>4</sub>    | 71.0     |         |        |
| CaSO <sub>4</sub> * 2H <sub>2</sub> O 2090 mg/L |         | NaCl                               | 58.4     |         |        |
| BaSO <sub>4</sub> 2.4 mg/L                      |         |                                    |          |         |        |

REMARKS:  
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Petrolite Oilfield Chemicals Group

Respectfully submitted,  
S. TIGERT

SCALE TENDENCY REPORT  
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|            |                   |              |             |
|------------|-------------------|--------------|-------------|
| Company    | : YATES PETROLEUM | Date         | : 6/13/94   |
| Address    | : ARTESIA         | Date Sampled | : 6/13/94   |
| Lease      | : OCOTILLO "ACI"  | Analysis No. | : 730       |
| Well       | : 3               | Analyst      | : S. TIGERT |
| Sample Pt. | : SEPERATOR       |              |             |

STABILITY INDEX CALCULATIONS  
(Stiff-Davis Method)  
CaCO3 Scaling Tendency

|        |     |    |            |    |           |
|--------|-----|----|------------|----|-----------|
| S.I. = | 0.7 | at | 60 deg. F  | or | 16 deg. C |
| S.I. = | 0.8 | at | 80 deg. F  | or | 27 deg. C |
| S.I. = | 0.8 | at | 100 deg. F | or | 38 deg. C |
| S.I. = | 0.9 | at | 120 deg. F | or | 49 deg. C |
| S.I. = | 1.0 | at | 140 deg. F | or | 60 deg. C |

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CALCIUM SULFATE SCALING TENDENCY CALCULATIONS  
(Skillman-McDonald-Stiff Method)  
Calcium Sulfate

|     |      |    |            |    |          |
|-----|------|----|------------|----|----------|
| S = | 1822 | at | 60 deg. F  | or | 16 deg C |
| S = | 1972 | at | 80 deg. F  | or | 27 deg C |
| S = | 2056 | at | 100 deg. F | or | 38 deg C |
| S = | 2080 | at | 120 deg. F | or | 49 deg C |
| S = | 2089 | at | 140 deg. F | or | 60 deg C |

Petrolite Oilfield Chemicals Group

Respectfully submitted,  
S. TIGERT

| YATES PETROLEUM CORPORATION             |            |                            |            |         |             |                      |                                  |                       |  |
|-----------------------------------------|------------|----------------------------|------------|---------|-------------|----------------------|----------------------------------|-----------------------|--|
| SALT WATER DISPOSAL WELLS IN NEW MEXICO |            |                            |            |         |             |                      |                                  |                       |  |
| September 1, 1992                       |            |                            |            |         |             |                      |                                  |                       |  |
|                                         |            |                            |            |         |             |                      |                                  |                       |  |
|                                         |            |                            |            |         |             |                      |                                  |                       |  |
|                                         |            |                            |            |         |             | APPROXIMATE<br>BWP/M | AVERAGE<br>INJECTION<br>PRESSURE | INJECTION<br>INTERVAL |  |
| FOREMAN                                 | LEASE #    | WELL NAME                  | LOCATION   | ORDER # | DISPOSED OF |                      |                                  |                       |  |
| CHAVEZ                                  | 013400-001 | BOB GUSHWA COM #1          | 21-18S-26E | R-5322  | 0           | N/A                  | 8983-9128                        |                       |  |
| HORNER                                  | 013749-001 | BROWN AEI #1               | 26-16S-37E | SWD-324 | 81566       | VAC-300              | 10366-10694                      |                       |  |
| HANES                                   | 018614-001 | CHAMPLIN UL FEDERAL #1     | 12-8S-31E  | R-7130  | 14882       | 950                  | 4009-4217                        |                       |  |
| ERRY                                    | 019599-001 | COMPROMISE AEJ FED COM #1  | 30-18S-27E | SWD-400 | 6306        | 490                  | 8054-8153                        |                       |  |
| DEHLER                                  | 019730-001 | COTTON MX COM #1           | 14-19S-25E | SWD-370 | 229284      | 1870                 | 7680-8000                        |                       |  |
| PERRY                                   | 021657-001 | DAVID ROSS SWD #1          | 35-22S-31E | SWD-419 | 57946       | 329                  | 4500-5670                        |                       |  |
| CHAVEZ                                  | 021700-001 | DAYTON TOWNSITE GAS COM #1 | 21-18S-26E | R-7600  | 39202       | 173                  | 8901-9062                        |                       |  |
| CHAVEZ                                  | 001539-001 | DONAHUE FEDERAL #1         | 10-20S-24E | SWD-377 | 2750        | 400                  | 4296-4596                        |                       |  |
| PERRY                                   | 024155-001 | EDDY GR STATE #1           | 16-23S-28E | SWD-414 | 7434        | 330                  | 2892-3194                        |                       |  |
| HANES                                   | 025300-001 | FEDERAL HI #1 (LINDA)      | 31-6S-26E  | R-5545  | 1694        | 258                  | 963-1470                         |                       |  |
| PERRY                                   | 025615-001 | FLAMENCO SWD #1            | 7-22S-32E  | SWD-428 | 109383      | 885                  | 4676-5814                        |                       |  |
| PERRY                                   | 025836-002 | FLOWER AGA STATE #2        | 3-26S-28E  | SWD-325 | 1500        | 377                  | 2552-2833                        |                       |  |
| HORNER                                  | 026334-001 | FREEMAN ACF #1             | 22-16S-37E | R-8290  | 0           | 0                    | 10050-10350                      |                       |  |
| HORNER                                  | 003200-001 | HARRIS STATE #1            | 29-13S-34E | SWD-224 | 65899       | 781                  | 10390-10395                      |                       |  |
| HORNER                                  | 032270-001 | HOOVER ADR STATE #1        | 1-17S-33E  | SWD-402 | 10892       | VAC                  | 3767-3774                        |                       |  |
| CHAVEZ                                  | 032771-001 | HUMBLE HOBBS FEDERAL #1    | 24-20S-24E | SWD-434 | 339876      | 1438                 | 9600-11580                       |                       |  |
| HANES                                   | 036986-001 | LOVELADY ADN STATE #1      | 31-8S-33E  | SWD-294 | 11322       | VAC                  | 4286-4419                        |                       |  |
| PERRY                                   | 037132-001 | LUSK #1 SWD (LUSK #4 SWD)  | 35-19S-32E | SWD-480 | 5428        | 160                  | 4733-7678                        |                       |  |
| CHAVEZ                                  | 039834-004 | MINOSA AHS #4              | 4-20S-24E  | SWD-474 | 166593      | 468                  | 9836-11159 (OH)                  |                       |  |
| CHAVEZ                                  | 039834-001 | MINOSA AHS FEDERAL #1      | 4-20S-24E  | SWD-408 | 105334      | 920                  | 9515-11011                       |                       |  |
| ATKINS                                  | 040010-002 | MITCHELL IN #2             | 23-17S-25E | R-5602  | 26312       | 55                   | 8879-9362                        |                       |  |
| DEHLER                                  | 043620-001 | OSAGE #1                   | 21-19S-25E | SWD-336 | 42720       | 1431                 | 7672-7813                        |                       |  |
| HANES                                   | 043844-013 | PATHFINDER AFT STATE #13   | 21-10S-27E | SWD-415 | 137050      | VAC                  | 6442-6729                        |                       |  |
| HANES                                   | 043844-007 | PATHFINDER AFT STATE #7    | 21-10S-27E | SWD-394 | 0           | 0                    | 2450-2650                        |                       |  |
| HANES                                   | 043940-003 | PATTON AAR STATE #3        | 5-9S-32E   | R-3637  | 662         | VAC                  |                                  |                       |  |
| HORNER                                  | 046582-001 | RED HAT STATE UNIT #1      | 2-16S-33E  | SWD-468 | N/A         | N/A                  | 5805-5920                        |                       |  |
| DEHLER                                  | 047690-002 | ROUTH NU COM #2            | 14-19S-24E | SWD-399 | 91471       | 991                  | 9570-9900                        |                       |  |
| DEHLER                                  | 047556-003 | ROY AET #3                 | 7-19S-25E  | SWD-437 | 86096       | 1135                 | 9766-11110                       |                       |  |
| DEHLER                                  | 051990-001 | STATE CO #1                | 36-19S-24E | SWD-285 | 93415       | 1327                 | 10025-11311                      |                       |  |
| CHAVEZ                                  | 052125-001 | STATE D #1                 | 16-20S-24E | SWD-395 | 95234       | 1450                 | 10000-11052                      |                       |  |
| PERRY                                   | 052526-001 | STONEWALL YE STATE #1      | 30-20S-28E | R-8265  | 14365       | 657                  | 2595-3685                        |                       |  |
| HANES                                   | 052844-002 | SUN UW FEDERAL #2          | 10-8S-33E  | R-8271  | 14581       | 1176                 | 4219-4308                        |                       |  |
| HORNER                                  | 052888-002 | SWAN VB STATE #2           | 21-14S-31E | R-7797  | 64620       | VAC 170              | 10071 10020                      |                       |  |

BUREAU OF LAND MANAGEMENT  
CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Oil and Gas Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.
6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.
7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.